

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM AT-RISK AFTER SCHOOL PROGRAMS POLICY & PROCEDURE MANUAL	ISSUED 7/1/03; 8/06	REVISED 3/12	CHAPTER 9	SECTION 9.2
CHAPTER Chapter 9. Procurement		SUBJECT Determining the Purchase Method			

There are four different methods which can be used when purchasing goods or services. The methods are:

Small Purchase Threshold (Simplified Acquisition Threshold set by 41 U.S.C. 403(11))

Small purchase procedures are simple and informal procurement methods used in the purchase of services, supplies, or other property that fall below the \$100,000 threshold for private, non-profit organizations. In the state of Missouri, a formal bid procedure is required for any aggregate purchases in excess of \$100,000. When using the informal bid procedure, price or rate quotations shall be obtained from at least three qualified sources. While relatively simple and informal, small purchase procedures must still be conducted in a competitive manner. The items or services to be purchased must be adequately and consistently described for each prospective vendor so that each one can provide price quotes on the same merchandise or service.

Documentation of the price and rate quotations must be kept on file and available for review. The lowest and best bid shall be accepted.

Competitive Sealed Bids

Sealed bids are publicly solicited and a fixed-price contract is awarded to the bidder whose bid, conforming to all terms of the Invitation for Bid (IFB), was lowest in price. A fixed-price contract is defined as an agreement to pay a certain amount per unit of a good or service.

In order for the competitive sealed bid procedure to be feasible, these conditions must be present:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible suppliers are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm-fixed price contract. Selection of a successful bidder can be made principally on the basis of price.

If it is determined that competitive sealed bidding is appropriate, the following requirements must be met:

- Develop a complete, adequate, and realistic specification or purchase description. The description will be in the form of an IFB. The IFB shall clearly define the item or services needed in order for the bidders to properly respond. See Section 11.3 for more information on developing the IFB.
- Formally advertise for potential bidders. Part 226.21 of the CACFP regulations specifies that when non-profit institution contracts have an aggregate value greater than \$100,000, the institution must:
 - a. Publicly announce all proposed contracts at least 14 calendar days prior to the opening of the bids. The announcement shall include the time and place of the bid opening.
 - b. Notify the State agency at least 14 calendar days prior to the opening of the bids of the time and place of the bid opening.
- Publicly open all bids at the time and place stated in the invitation for bid.

Once the at-risk after school facility has made a choice to award the bid, a firm-fixed price contract award shall be made by written notice to the responsive bidder whose bid, conforming to the invitation for bid, is lowest. Any or all bids may be rejected when there are sound documented business reasons in the best interest of the Program.

Competitive Negotiation

Proposals are requested from a number of sources and the request for proposal is publicized. Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. If competitive negotiation is used for procurement, contact the Missouri Department of Health and Senior Services – Bureau of Community Food and Nutrition Assistance (MDHSS-BCFNA).

Noncompetitive Negotiation

This form of procurement is through solicitation of a proposal from only one source. This form of procurement can only be used under the following circumstances:

- The item is available from a single source;
- Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation;
- FNS authorizes noncompetitive negotiation; or
- After solicitation of a number of sources, competition is determined inadequate.

Under no conditions can a cost plus percentage of cost method of contracting be used.

References: 7 CFR226.21 and 226.22 and 41 U.S.C. 403(11)